GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:174
ANSWERED ON:18.02.2009
REDUCTION IN CUSTOMS AND EXCISE DUTIES
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Will the Minister of FINANCE be pleased to state:

(a): whether the government has reduced customs and excise duties on various items after the announcement made in the Annual Budget of financial year 2008-09;

(b): if so, the details thereof and reasons therefor; and

(c): the estimated shortfall in revenue to be caused in the financial year 2008-09 as a result thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): Yes, Sir.

(b): Details of such reductions of customs and central excise duties are enumerated in the annexure.

These fiscal measures were taken in response to the rapidly changing international economic environment and its impact on the domestic economy.

In the first half of the fiscal year,they were aimed at combating .inflation caused primarily by the spurt in the international prices of crude petroleum, food items and metals.Subsequently they were required to deal with the slowdown of the Indian economy in response to the financial crisis in the developed economies.As such, the duty reductions listed above were primarily effected as part of the fiscal stimulus package of the government.

(c): The revenue implication of these changes is approximately Rs. 33000 crores during the financial year 2008-09.